

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

IN THE MATTER OF:

Questar Gas Management Company
180 East 100 South
PO Box 45601
Salt Lake City, UT 84145-0601

Respondent

COMPLIANCE ORDER

Docket No. **CAA-08-2004-0007**

STATUTORY AUTHORITY

This Compliance Order ("Order") is issued to Questar Gas Management Company (Questar) pursuant to section 113(a)(3)(B) of the Clean Air Act ("CAA"), 42 U.S.C. §7413(a)(3)(B), as amended, for violations of the CAA's program for National Emission Standards for Hazardous Air Pollutants (HAPs) as set forth in section 112(c) and (d), of the CAA, 42 U.S.C. §7412(c) and (d) and the regulations promulgated thereunder. The authority to issue the Order has been properly delegated to the Assistant Regional Administrator, Office of Enforcement, Compliance, and Environmental Justice, EPA Region 8.

BACKGROUND

1. Questar Gas Management Company (Questar) is a subsidiary of Questar Market Resources, which is owned and operated by Questar Corporation. Questar is the owner and operator of the Wonsits Valley Compressor Station (Wonsits), a booster station that collects, dehydrates and compresses natural gas, located southeast of Vernal, Utah.

Wonsits is located within the exterior boundaries of the Uintah and Ouray Reservation and EPA is the proper permitting authority.

2. Questar purchased all of the assets of Shenandoah Energy Inc. (SEI), including the Wonsits Valley Compressor Station, on July 31, 2001.
3. After the purchase described in paragraph 2 above, Questar operated Wonsits under the name SEI until at least December 16, 2002.
4. Wonsits consists of, among other things, 5 compressor engines, 1 diethylene glycol dehydrator and reboiler, 1 combustor and 8 storage tanks.
5. On March 22, 2000, December 8, 2000 and November 30, 2001, SEI submitted Part 71 Operating Permit Applications to EPA for the Wonsits Valley Compressor Station.
6. On November 12, 2003, Questar submitted a revised Part 71 Operating Permit Application to EPA, which superceded all previous permit applications.
7. In its permit application referenced in paragraph 6 above, Questar provided (on page 3-5) uncontrolled potential emission estimates for its glycol dehydrator vent of 43 tons per year of benzene and 138 tons per year of total HAPs.
8. In its permit application referenced in paragraph 6 above, Questar admitted (on page 4-2, section 4.1.4 and on Application Form GIS, section F) that it is subject to, among other regulations, 40 C.F.R. subpart HH.
9. In the permit application described in paragraph 6 above, Questar admitted (on Form I-COMP, Initial Compliance Plan and Compliance Certification) it was not in compliance (at the time of the application) with 40 C.F.R. subpart HH. Additionally, Questar stated

in

the permit application that installation of controls on the glycol dehydrator vent would be the method used to determine compliance.

NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS

10. Pursuant to the authority under section 112 of the CAA, 42 U.S.C. §7412, the Administrator promulgated regulations establishing the National Emission Standards for Hazardous Air Pollutants for Oil and Natural Gas Production. These “Maximum Achievable Control Technology (MACT)” regulations for Oil and Natural Gas production facilities are codified at 40 C.F.R. part 63, Subpart HH and 40 C.F.R. part 63, subpart A of the General Provisions. The effective date of these subparts was June 17, 1999.
11. Affected sources under this subpart are defined at 40 C.F.R. subpart HH, §63.760(b)(1) through (4) to include ethylene glycol dehydrators and vents, storage vessels with flash emissions and ancillary equipment.
12. A “major source” is defined by 40 C.F.R. §63.2 as any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit, considering controls, in the aggregate, 10 tons per year or more of any HAP or 25 tons per year or more of any combination of HAPs.
13. Pursuant to 40 C.F.R. §63.760(f)(2) the owner or operator of an affected source, the construction or reconstruction of which commenced on or after February 6, 1998, shall achieve compliance with the provisions of 40 C.F.R. subpart HH immediately upon initial start up or June 17, 1999, whichever is later. Area sources, the construction or reconstruction of which commences on or after February 6, 1998, that become major

sources shall comply with the provisions of 40 C.F.R. subpart HH immediately upon becoming a major source.

14. Construction of the Wonsits Valley Compressor Station commenced on October 27, 2000, with the installation of the first temporary field compressor.
15. With the addition of the diethylene glycol dehydrator, an affected source, in early July 2001, the Wonsits facility exceeded the major source threshold for HAPs and became subject to subpart HH.

FINDINGS OF VIOLATION

16. Questar is a "person" within the meaning of section 302(e) of the CAA, 42 U.S.C. §7602(e).
17. Since July 31, 2001, Questar has been and currently is the owner and operator of the Wonsits Valley Compressor Station.
18. Pursuant to 40 C.F.R. §63.9(b)(3), the owner or operator of a new or reconstructed affected source, or a source that has been reconstructed such that it is an affected source, that has an initial startup after the effective date of a relevant standard under this part for which an application for approval of construction or reconstruction is not required under §63.5(d), shall notify the Administrator in writing that the source is subject to the relevant standard no later than 120 days after initial startup. In this case, that was 120 days from July 1, 2001, or November 1, 2001. SEI (and then Questar on July 31, 2001) became subject to the rule on July 1, 2001 when the diethylene glycol dehydrator unit became operational. Questar failed to submit an initial notice of applicability, and therefore violated 40 C.F.R. §63.775(b)(1).

19. Pursuant to 40 C.F.R. §63.775(b)(4) and (d), the owner or operator of an affected source subject to subpart HH is required to submit a Notification of Compliance Status Report within 180 days of July 1, 2001. In this case, that was December 28, 2001. Questar failed to submit a Notification of Compliance Status Report and therefore violated 40 C.F.R. §63.775(b)(4) and (d).
20. Under 40 C.F.R. §63.775(b)(5) and (e)(1), the owner or operator of an affected source subject to subpart HH is required to submit an initial Periodic Report 240 days after the Notification of Compliance Status Report was due on December 28, 2001. In this case, that was August 25, 2002. Questar failed to submit an initial Periodic Report and therefore violated 40 C.F.R. §63.775(b)(5) and (e).
21. Pursuant to 40 C.F.R. §63.775(e)(1), the owner or operator of an affected source subject to subpart HH is required to submit semiannual periodic reports. Questar has failed to submit any semiannual periodic reports and therefore violated 40 C.F.R. § 63.775(e)(1).
22. Pursuant to 40 C.F.R. §63.771(a) and (d), the owner or operator of an affected source subject to subpart HH must install and operate control equipment to control air emissions as required by this subpart. As a “new source,” Questar was required to control emissions from its glycol dehydrator process immediately upon start up in early July 2001. Questar delayed the installation of control equipment until December 15, 2004, and therefore violated 40 C.F.R. § 63.771(a) and (d).
23. Pursuant to 40 C.F.R. § 63.775(b)(6), the owner or operator of an affected source subject to subpart HH is required to submit Start Up, Shut Down and Malfunction Reports semi-

annually. Questar has failed to submit any Start Up, Shut Down and Malfunction Reports and therefore violated 40 C.F.R. 63.775(b)(6).

COMPLIANCE ORDER

24. Pursuant to section 113(a)(3)(B) of the CAA, 42 U.S.C. §7413(a)(3)(B), EPA hereby issues the following order to Questar:

- a. Effective immediately, Questar shall comply with all the requirements of 40 C.F.R. Section 63, subpart HH.

ENFORCEMENT

25. Issuance of this Order does not preclude any other action by EPA to redress past or future violations of the CAA, including either of the following:

- a. an administrative penalty complaint pursuant to section 113(d) of the CAA, 42 U.S.C. §7413(d), for penalties of not more than \$27,500 per day for each violation through March 15, 2004 (\$32,500 after March 15, 2004 per day for each violation) during the period the facility is not in compliance; or
- b. a civil action pursuant to §113(b) of the CAA, 42 U.S.C. §7413(b), for injunctive relief or civil penalties of not more than \$27,500 per day for each violation through March 15, 2004 (\$32,500 after March 15, 2004 per day for each violation) during the period the facility is not in compliance, or both.

26. Pursuant to section 120 of the CAA, 42 U.S.C. §7420, EPA is also authorized to assess noncompliance penalties aimed at recovering the economic benefit which any person received by not complying with the CAA.

27. Pursuant to section 113(a)(3) of the CAA, 42 U.S.C. §7413(a)(3), failure to comply with this Order may lead to a civil action to obtain compliance or an action for civil or criminal penalties.

OPPORTUNITY FOR CONFERENCE

28. In accordance with section 113(a)(4) of the CAA, 42 U.S.C. §7413(a)(4), EPA is offering Questar an opportunity for a conference to discuss the Order. The request for such a conference must be made no later than thirty (30) calendar days from the date Questar receives this Order. If you wish to make arrangements for a conference, please contact Jim Eppers, Enforcement Attorney, U.S. EPA 8, 999 18th Street, Suite 300, Denver, CO 80202-2466. Mr. Eppers' telephone number is (303) 312-6893. By offering the opportunity for a conference or participating in one, EPA does not waive or limit its right to any remedy available under the CAA.

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8,

Date: 4/15/04 By: **SIGNED**
Carol Rushin
Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the original and one copy of the attached COMPLIANCE ORDER was hand-carried to the Regional Hearing Clerk, EPA Region 8, 999 18th Street, Denver, Colorado, and that a true copy of the same was sent via certified mail, return receipt requested to:

Michael A. Golas
Questar Gas Management Company
180 East 100 South
Salt Lake City, UT 84145-0601

Date: 4/20/04

By: SIGNED
Judith M. McTernan

**THIS DOCUMENT WAS FILED IN THE REGIONAL HEARING CLERK'S OFFICE
ON APRIL 20, 2004.**